State of Kansas



Kansas Department of Agriculture Division of Conservation

Water Right Transition Assistance Pilot Project Program



NRCS Photo

FY 2012 Legislative Report

January 10, 2012

Table of Contents

Executive Summary	3
Program Description	4
Legislative Reporting Requirement	8
FY 2008 – 2009 Results	9
FY 2010 – 2012 Results	.11
Attachment A: WTAP Target Area Water Appropriations Summary	.13
Attachment B: WTAP Target / High Priority Area Maps	.14
Attachment C: WTAP Monitoring Well / Water Level Maps	.17
Attachment D: WTAP Applications Summary Maps	.25

For additional information, contact:

Steven K. Frost Water Conservation Program Manager

Kansas Department of Agriculture Division of Conservation 109 SW 9th, 2A Topeka, KS 66612-1283 (785) 296-3600

http://www.ksda.gov/doc/

Executive Summary

The Water Right Transition Assistance Pilot Project Program (WTAP) is nearing the end of its five year "pilot" phase status which expires on June 30, 2012. The results of the program to date have demonstrated that landowners can be reasonably incentivized to voluntarily dismiss water rights in critical areas which are in need of water conservation and water use reductions.

WTAP was authorized by the Kansas Legislature in 2006 as a five year pilot project. The purposes of this unique, innovative program are to 1) reduce the HCWU in targeted, high priority areas of Kansas by issuing financial grants for the voluntary, permanent dismissal of privately held water rights; and 2) evaluate the results of the pilot project and to develop a viable model for the beneficial implementation of a long term water right retirement program which seeks to leverage state dollars with matching funds from other private and public sources.

The project currently has three critical hydrologic targets which have been designated by the Chief Engineer to be in need of stream recovery and / or aquifer restoration – Prairie Dog Creek, Rattlesnake Creek, and six High Priority areas in the Upper Republican Basin. Enrollment sign-ups have been held in the fall seasons of 2007, 2008, 2010 and 2011. It was not possible to conduct an enrollment in 2009 due to budget limitations. The maximum bid price for Historic Consumptive Water Use (HCWU) retirement is currently \$2,000 per acre-foot, an amount which was approved by the WTAP Steering Committee in 2008.

The program experienced a very light sign-up in the first year (2007) - only one application was approved - and the program rules were immediately changed to effectuate a simpler, more streamlined process. In the second year (2008), the program experienced a robust enrollment with 41 applications being submitted. Available funds allowed only 14 of those to be approved for a total cost of \$2,075,172 at an average bid price of \$1,301 per acre-foot of HCWU retired.

In the third enrollment period (2010), four applications representing 348 acrefeet of HCWU were approved for a total cost of \$270,629 on bid rates averaging \$1,200 per acre-foot (due to the mutual utility of compatible federal, state, and local programs). In the fourth and last enrollment period (2011), three applications representing 296 acre-feet of HCWU were approved for a total cost of \$517,253 on bid rates averaging \$1,730 per acre-foot.

Limited WTAP funds are being highly leveraged with other federal and local dollars to provide high quality retirements in critical areas at the lowest possible prices to the State. These cooperative activities enhanced the program's efficiencies by minimizing costs and extending State investments to more potential applicants.

\$840,986 of federal (\$653,479) and local (\$187,507) dollars have been matched to WTAP applications in the Northwest Kansas Groundwater Management District No. 4, and \$28,513 of local dollars have been matched to WTAP applications in the Big Bend Groundwater Management District No. 5 – a total match of \$869,500.

As a result of the 22 enrollments to date, a total of \$2,946,082 of State money has been expended to effectuate the permanent retirement of 6,169 acre-feet of annual water appropriation rights and 2,220 acre-feet of HCWU in these regions at an average cost of \$1753 per acre-foot.

Program Description

Overview

The Water Right Transition Assistance Pilot Project (WTAP) is a voluntary, incentive-based water conservation program whereby a participating landowner permanently retires (dismisses) water rights in exchange for compensation by the State of Kansas. WTAP is administered by the Kansas Department of Agriculture, Division of Conservation (DOC) (formerly known as the State Conservation Commission (SCC)) for "the purpose of reducing consumptive use in the target or high priority areas of the state..."

The pilot project is authorized for 5 years (beginning July 1, 2007) with an annual budget from federal and state funds not allowed to exceed \$1.5 million. Unexpended fund balances can be carried over to successive fiscal years with the approval of the Legislature. Although it is a "stand-alone" project, WTAP was envisioned to be consistent with, and complimentary to, the water management policies and programs of other federal, state, local, and private entities operating on a statewide basis. As such, it does allow for cooperative cost-sharing from the federal or state government, or private sources, for water right retirement grants.

Mutually agreeable compensation is paid to a landowner in the form of a financial assistance "grant" which can be distributed in installments of up to 10 years. The grant is available to aid willing sellers in the transition from irrigation to dryland farming. The amount of the compensation is largely determined by a fixed price point value determined annually by the DOC in conjunction with other agencies, and many other relevant factors such as the seniority of the water right, its historic consumptive water use quantity, the proximal relationship of the water right within the targeted water supply, and a competitive bid price submitted by the owner. WTAP grants are tied to obligations of permanent water right dismissals which ensure tax dollars are invested wisely and efficiently. They are only available in areas closed to new appropriations of water which have been determined to be "in need of aquifer restoration and stream flow recovery."

Program Strategy

The goal of WTAP is to strategically reduce the demand on distressed aquifers and streams, and assist in returning the overall level of water appropriation (demand) back into conformity with water resources (supply). The retirement of some water rights in overdeveloped hydrologic systems, and thereby the cessation of some water diversions, will ultimately provide a measure of recovery to regional water resources and help to re-establish the long-term stabilization of water budgets.

The state's priority for the contractual dismissal of water rights is given to the most senior rights which provide the greatest consumptive use reductions and the greatest direct hydrologic impacts at the lowest reasonable, affordable price via a competitive bid process. The main objective of each contracted water right retirement is to decrease the "historic consumptive water use" which requires a very prescribed analysis of the most recent six years of use.

WTAP targets the retirement of agricultural irrigation water rights because they typically authorize the greatest appropriated quantities and because they are usually the most available (liquid) in the marketplace. Lands to which the dismissed water rights were appurtenant can be used for other purposes, but they can also continue to be dryland farmed or can be re-authorized for irrigation from another water right (subject to additional consumptive use analysis and approval by DWR). Landowners may also propose the dismissal of just partial water rights. These provisions help landowners retain viable options for future financial alternatives and economic decision-making.

Water Right Eligibility

Only privately owned water rights are eligible for WTAP retirement grants, and the current statutory language strongly infers that only irrigation rights are eligible at this time. To be considered eligible, a water right must have been actively used for lawful, beneficial purposes in at least six of the previous 10 years prior to enrollment. Further, the water right must be located in a designated target area which has been approved by the Chief Engineer and basically closed to all new appropriations of water (with very limited exceptions).

The water right location must also have been designated by the Chief Engineer to be an area in need of stream recovery and / or aquifer restoration, and the state's dismissal of the water right would have a net reduction in consumptive water use of the aquifer or stream designated for restoration or recovery by the chief engineer. For a partial water right to be deemed an eligible water right, the partial water right must be associated with a portion of the distribution system, a point of diversion, a place of use, or a type of use that is being physically discontinued.

In 2008, SCC amended the initial compensation methodology whereby the "fair market value" of a water right was used to assess the basic cost in the WTAP bidding and compensation components. In order to establish a more consistent statewide standard, and to avoid speculation and short-term spot variability which normally occurs in land appraisals and water acquisitions, SCC determined that using a statewide "fixed price point strategy" would be the most appropriate and equitable benchmark. For the FY2009 – FY2012 enrollment periods, the SCC established the fixed price at \$2,000 per acre-foot of HCWU water. In the competitive bidding process, applicants may bid less than the maximum fixed price in order to receive a more favorable ranking of their application.

Application Evaluation

Each WTAP application is evaluated for its conformity to the statutory and regulatory requirements of the program. The supporting information supplied with each application regarding water use information, cropping history, and owner fiduciary relationships are also analyzed for accuracy and compliance. The proposed water right location within the priority units of each target area (see Attachment B) is verified. Several other relevant hydrologic factors are also reviewed to make an overall comparison of an application's suitability and preference for approval and grant funding.

After initial review by DOC, the application is referred to the Chief Engineer for an analysis of the water right eligibility, a determination of the historic consumptive water use available for retirement under the proposed water right, and for a recommendation of the suitability of retiring the water right regarding the hydrologic impacts of its retirement. If the application is located within a groundwater management district, the application is forwarded to that appropriate office for their opportunity to review the application and to provide a recommendation regarding its ranking or favorability for approval.

All applications can be individually rated and scored according to a list of multiple "hydro" factors. Each application is then ranked against each other according to relative priority within target areas and available funds. Applicants must be notified of the agency's decision by January 15 after the Fall sign-up period, and by May 31 after the Spring sign-up period (if funds are available).

[In the potential case of the total number of eligible applications in multiple target areas exceeding the available funding supply, additional agency decisions are made regarding the most cost-effective strategy of retiring the most consumptive water use in each target area. The limited time available in the remaining life of the pilot project and the possibility of future funding constraints would be considered in deciding which applications and target areas to approve.]

Enrollment Conditions

Not more than 10% of a county's irrigated acres can be eligible for retirement under WTAP. Approval of partial water right retirements is allowed up to a maximum of not exceeding 30% of the total program funds available. The approval of "partial" water right retirements also requires additional consumptive use analysis and approval by the Kansas Division of Water Resources.

Dryland farming is allowed after the water right is retired, and limited, temporary watering of up to three years is allowed to establish a permanent cover on the land being transitioned from irrigation, if necessary. The affected land may also be irrigated again from other nearby water rights, but only subject to additional consumptive use analysis and approval by the Kansas Division of Water Resources.

Successful applicants may accept the WTAP transition grant in a lump sum payment or in equal annual installments not to exceed 10 years. If approved for a retirement grant, a water right must be completely separated from, or completely "overlapped" with, all other related water rights. All wells being retired must be properly capped, plugged, or reconditioned as a domestic well in accordance with regulatory standards of the Kansas Department of Health and Environment.

Potential Economic / Resource Impacts

The WTAP program is intended to produce a greater long-term stability to water resources which are currently supporting local economies based on distressed and over- allocated water resources – or which have some other compelling issue which is in the State's overriding interest to address. Local citizens will benefit

from the stabilization of these water resources which contribute to community sustainability and the quality of life.

These water resources and all water rights associated with them, including industries, municipalities, and other public water supplies, will eventually require administration and curtailment of water rights in periods of shortages. The expense of significant regulatory activities can be avoided through continued implementation and refinement of the program.

The WTAP program is developed on the absolute assumption that grant recipients are impacted positively if receiving financial assistance for the transition of irrigated crop land to dry crop land or grass land. The voluntary dismissal of water rights by private landowners (via participation in the program) will only be undertaken if evaluated to be economically beneficial to the participating individual in consideration of the prospects for the short-term and long-term sustainability of their overall business operation.

These prospects include the owner's awareness and assessment about local water issues and the likelihood of any possible regulatory activities involving water rights in their area. Because of the extreme fiscal and resource variability inherent in every irrigated farming operation, the calculation of the overall impact of incentive payments to any particular producer for water right retirements in any particular area of the state can not be considered representative of the class.

Because of statewide variations in soil types, water resources, and topographic conditions, the differences in irrigated crop land, dry crop land, and grass land appraisals, and market value vary greatly within and among the WTAP target areas. In those counties where the WTAP program has identified target areas for water right retirements, a change in the land classification for property tax valuation should be expected. In those counties where agricultural irrigated land is transitioned to dryland crop or pasture, a concurrent reduction in assessed valuation and tax receipts to the county government, will occur.

In WTAP program target areas, local citizenry and businesses will be negatively impacted over an extended period of time by the reduction of ancillary agricultural products and services associated with irrigated crop production. Tenants and laborers will be impacted negatively if a landowner participates in the program with the resultant effect of diminishing leasing or employment opportunities because of correlative production decreases. Businesses selling agricultural inputs such as seed, fertilizer, fuel, and storage will be impacted negatively by a reduced level of irrigation related sales.

The WTAP program will incur an economic cost, and benefit, to all citizens and property owners (taxpayers) in Kansas. The immediate cost to citizens statewide will be realized through public monies expended on a financial assistance program targeted to a select group of recipients which compensates the voluntary retirement of an individual's property right in exchange for the benefit of conserving the public's water resources. Some losses, however, will be offset by the incentive grants received by landowners. These dollars will be circulated through the economy by investment in better standards of living and new

economic enterprises with employment opportunities. While not highly likely in the short term prognosis, it is possible that land with economic incentives provided under the WTAP program could be converted to even higher economic yielding purposes than before, and then concurrent increases to the tax base of local governments could be realized.

Legislative Reporting Requirement

The WTAP authorizing legislation, K.S.A. 2006 Supp. 2-1930 outlines the following requirement in Section 1(K)(1):

The State Conservation Commission shall report annually to the Senate standing committee on natural resources and the House standing committee on environment on the economic impact studies being conducted on the reduction of water consumption and the financial impact on the communities within the program areas. Such studies shall show comparative data for areas and communities outside the program area.

During the first enrollment period of 2007, only one irrigation water right was determined eligible and contracted for permanent retirement under WTAP. After the second enrollment period (Fall 2008), the participation increased considerably – SCC received 41 applications, and after significant legislative budget rescissions, contracts were approved and finalized on 14 of those. Subsequent enrollments in 2010 and 2011 yielded 7 more approved applications within the limited budgets which were available, for a total of 23 water rights total approved in the project to date*.

Unfortunately, there has not been sufficient time to make an analysis of even the short-term effects of these few water rights being retired. Further, WTAP has not yet experienced sufficient enrollment in any one particular target area, or over any statistically significant duration of time, to make a valid comparative analysis about the measurable reduction of water consumption and the long-term financial impact on the communities within or outside the program areas. Attempting to do so would only be premature and speculative at best.

During the last five years, the market for agricultural commodities and the associated value of agricultural land has enjoyed record increases, and recently significant decreases, and recently significant increases again. This volatility in land and crop values, combined with a recent return to more normal rainfall and regional water supply conditions, is suspected to have significantly (albeit temporarily) suppressed the prospects for WTAP enrollment which was expected during conceptual project development and program approval by the Legislature. The participation experienced during the second sign-up period, however, is very encouraging.

In order to demonstrate permanent water conservation success for the long-term benefit of the target areas and the State as a whole, the WTAP program must be

programmatically constructed to withstand the cyclical nature of agricultural variables such as weather, energy prices, commodity markets, land prices, and other uncontrollable, external variables.

Although it is not formally mentioned in any particular legislative declaration, certainly one unstated objective of the WTAP pilot project is to determine how a suitable methodology can actually be developed which, in spite of the many variable economic factors and stressors, will reduce the historic consumptive use of water in targeted, high priority areas in the most fair and affordable, cost-effective manner. This will take more time and experience.

With the limited experience gained during the first enrollment period of the 2007, DOC has already significantly modified several of the important program parameters to improve interest and participation. Most importantly, the WTAP compensation methodology has been simplified and streamlined in a manner which is more easily understood by potential applicants, and which can be updated to keep pace with water right market conditions.

[*Only \$59,795 of carry forward money was available for project applications in FY2010 - no enrollment opportunity was possible at that level of funding.]

FY2008 - FY2009 Results

The initial formation of the WTAP logistical framework, and the conceptual drafting of complimentary rules and regulations, was developed with public input during the first year of implementation. After formal proposal, review, and approval, final agency administrative rules and regulations were adopted by the SCC on July 2, 2007. They officially became effective on August 3, 2007.

In FY2008, during the Fall 2007 enrollment period, only three applications were received – two from the Prairie Dog Creek Basin target area and one from the Rattlesnake Creek Sub-basin target area. The Prairie Dog Creek applications were determined to be ineligible. The application from Rattlesnake Creek was found to be eligible and was subsequently approved as the first WTAP water right retirement – 225 acre-feet of annual water appropriation rights representing 6.4 acre-feet of HCWU at a cost of \$83,028.

With input from stakeholder groups and agency partners, SCC modified the program rules in FY2009 in anticipation of promoting more producer interest and participation. The major features of the rule changes were designed to accomplish the following improvements:

- 1. Providing two sign-up periods fall and spring.
- 2. Implementing a fixed price-point strategy based directly on HCWU.
- 3. Incorporating additional resolution to "partial water right" enrollments.
- 4. Providing more definition to the procedure of adding target areas.
- 5. Clarifying inter-agency roles and responsibilities.

Public hearings on the proposed rules were conducted in Topeka and Hays on August 19, 2008. The amended rules and regulations of the WTAP program, which received minimal public comment during the development, review, vetting, and hearing process, officially became final and effective on September 26, 2008.

During this time of the rules being amended, the Chief Engineer received a formal request from the Northwest Kansas Groundwater Management District No. 4 (GMD#4) to designate six new WTAP "High Priority Areas" (target areas) in Cheyenne, Sherman, Thomas, and Sheridan counties. Concurrent with the request was the submission of all of the necessary requirements and supporting documentation.

Subsequently, on September 22, 2008, the Chief Engineer officially closed these areas to further appropriation of water (with very limited exceptions), declared them to be in need of aquifer restoration, and approved the designation of the areas as areas eligible for accepting WTAP applications.

As required by the original statutory authorization,

The state conservation commission shall hold at least two meetings in each water right transition assistance pilot project program area prior to entering into any water right transition assistance pilot project program contract for the permanent retirement of part or all of landowner historic consumptive use water rights. Such meetings shall inform the public of the possible economic and hydrologic impacts of the program. The state conservation commission shall provide notice of such meetings through publication in local newspapers of record and in the Kansas register.

Accordingly, three public meetings were legally noticed, publically advertised via numerous media venues, and subsequently conducted in the Northwest Kansas Groundwater Management District on the following dates and places:

Wednesday, September 24, 2008 — 1 p.m. Colby Community College

Colby, Kansas Total Attendance: 12

Wednesday, September 24, 2008 — 7 p.m. Northwest Kansas Technical College

Goodland, Kansas Total Attendance: 25

Thursday, September 25, 2008 — 9 a.m. Midwest Energy, Inc.

Hoxie, Kansas Total Attendance: 5

Also, additional producer outreach informational meetings were held in each of the previously designated target areas, as follows:

Prairie Dog Creek Basin

Tuesday, October 28, 2008 — 7 p.m. Long Island Community Center Long Island, Kansas

Rattlesnake Creek Sub-basin

Wednesday, October 29, 2008 — 7 p.m. Long Island Community Center Long Island, Kansas

The Fall 2008 enrollment period began on October 1, 2008. Again through numerous media venues, SCC publically solicited, accepted, and received applications for enrollment during the prescribed sign-up period through November 15, 2008.

Total Attendance: 13

Total Attendance: 7

41 applications were received for consideration – three applications from the Rattlesnake Creek Sub-basin, and 38 from the GMD#4 HPA target areas. No applications were received from the Prairie Dog Creek Basin area.

The applications were submitted with bid prices ranging from \$792 to \$2,000 per acre foot based on the available HCWU calculated to be available under each water right. The total bid price of each application ranged from \$51,144 to \$536,491. The total cost of all 41 applications submitted was \$9,799,400. Approximately \$3.3 Million was originally available in the original FY2009 WTAP budget - however, significant legislative budget rescissions reduced the funds available for applications to \$2,161,479.

Pursuant to the WTAP administrative regulations, the Chief Engineer conducted a review of each application to determine the eligibility of the water right proposed for retirement (dismissal). Each of three groundwater management districts with applications in their respective areas provided recommendations for the ranking and prioritization of the applications.

As a result, SCC processed and finalized contracts on 14 of the applications – three from the Rattlesnake Creek Sub-basin and 11 from the GMD#4 High Priority areas. These 14 applications represent 3,900 acre-feet of annual water appropriation rights which was permanently retired, and also represent a net reduction of approximately 1,568 acre-feet of HCWU to targeted streams and aquifers.

FY2010 – FY2012 Results

In FY2010, only \$59,795 of carry forward money was available for project applications – it was not possible to accept any applications during the Fall 2009 enrollment period at that level of funding.

In FY2011, the third enrollment period during Fall 2010, five applications were received – all from the HPAs of GMD#4. Only four of those applications were able to be approved because of the available funding. Those four applications, representing four water rights with 1,142 acre-feet of annual water appropriation rights and 348 acre-feet of HCWU, were approved for a total cost of \$270,629 on bid rates averaging \$1,200 per acre-foot (due to the mutual utility of compatible federal, state, and local programs).

In FY2012, the fourth and last enrollment period during Fall 2011, three applications representing three water rights were received, again all from the GMD#4 HPAs. These three applications have been approved to retire 902 acrefeet of annual water appropriation rights and 296 acre-feet of HCWU at a total cost of \$517,253 on bid rates averaging \$1,730 per acre-foot.

As a result of the 22 enrollments to date, a total of \$2,946,082 has been expended to effectuate the permanent retirement of 6,169 acre-feet of annual water appropriation rights and 2,220 acre-feet of HCWU in these regions at an average cost of \$1753 per acre-foot.

Due to efforts of the Northwest Kansas Groundwater Management District No. 4 and the Big Bend Groundwater Management District No. 5, limited WTAP funds are being highly leveraged with other federal and local dollars to provide high quality retirements in critical areas at the lowest possible prices to the State. These cooperative activities enhanced the program's efficiencies in minimizing investment and extending the State's contributions to more potential applicants.

\$840,986 of federal (\$653,479) and local (\$187,507) dollars have been matched to WTAP applications in the Northwest Kansas Groundwater Management District No. 4, and \$28,513 of local dollars have been matched to WTAP applications in the Big Bend Groundwater Management District No. 5 – a total match of \$869,500.

During FY2010 – FY2012, DOC continued to evaluate the participation factors reflected in previous WTAP enrollments (and the similar federal CREP program) for further incorporation and improvements. Accordingly, the agency reviewed its compensation value to consider attracting more participants while maintaining the most cost effective strategy for the State's operation of the program.

In addition to the three main target areas which have currently been designated, DOC is receiving inquiries from various entities about the designation of additional target areas in other areas of the state. In that regard, DOC has been cooperating with the Kansas Legislature, the Chief Engineer, the state's five groundwater management districts, and other interested stakeholder groups organizations to address requests for the potential designation of additional WTAP target areas.

Based on the positive results experienced during the pilot project phase, DOC has solicited input from sister agencies and interested stakeholder groups to develop draft legislation on converting the WTAP pilot project into a permanent water management program. This draft legislation will be submitted by the Kansas Department of Agriculture to the 2012 Kansas legislature.

ATTACHMENT A

Pre-WTAP Target Area Water Appropriation Summary

Appropriated Vested	Surface Ground	29 13	13,902 1,864
Appropriated	Ground	557	78,822
Total		607	95,050 acre-feet

Total Consumptive Water Use Reduction Goal: 3800 acre-feet

Rattlesnake Creek Sub-basin # Water Rights Net AF Authorized Vested Surface 2 222 3 Appropriated Surface 14,721 Vested Ground 3,073 11 Appropriated Ground 1259 230,993 **Total** 1275 249,009 acre-feet

Total Consumptive Water Use Reduction Goal: 7,396 acre-feet

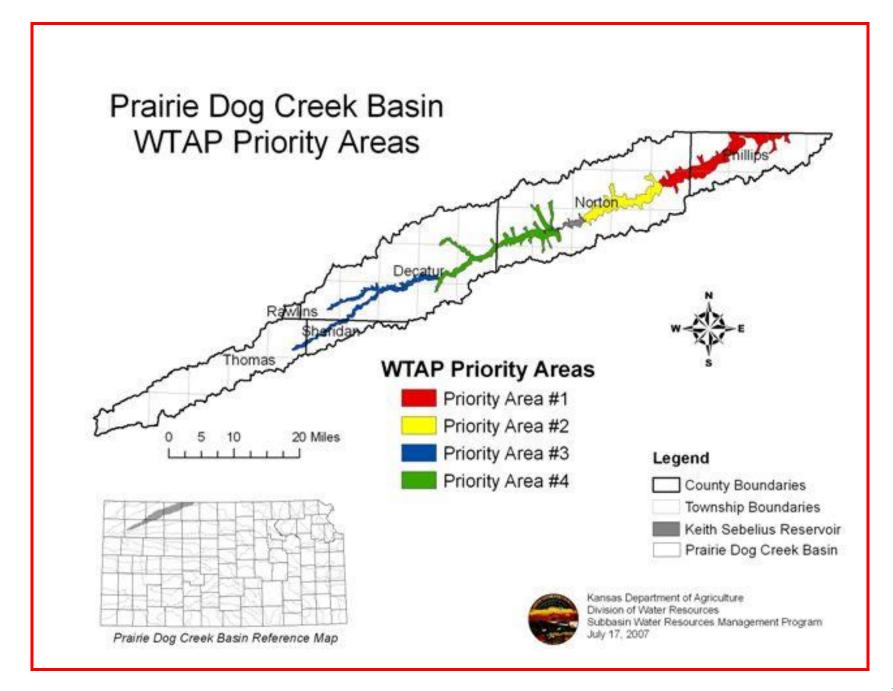
Total

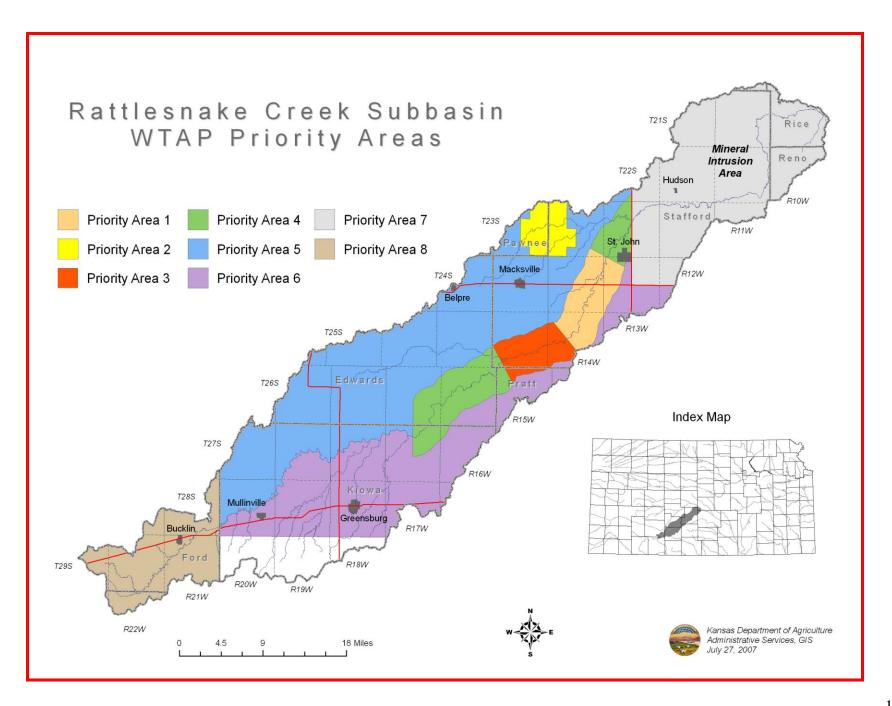
GMD #4 HP Areas Net AF Authorized **HCWU Retirement Goal** 6,000 Sherman County HPA #1 58,000 Sherman County HPA #2 25,500 4,000 Cheyenne County HPA #3 15,100 2,000 Thomas County HPA #4 1,660 600 Thomas County HPA #5 85,000 15,000 Sheridan County HPA #6 61,000 12,000

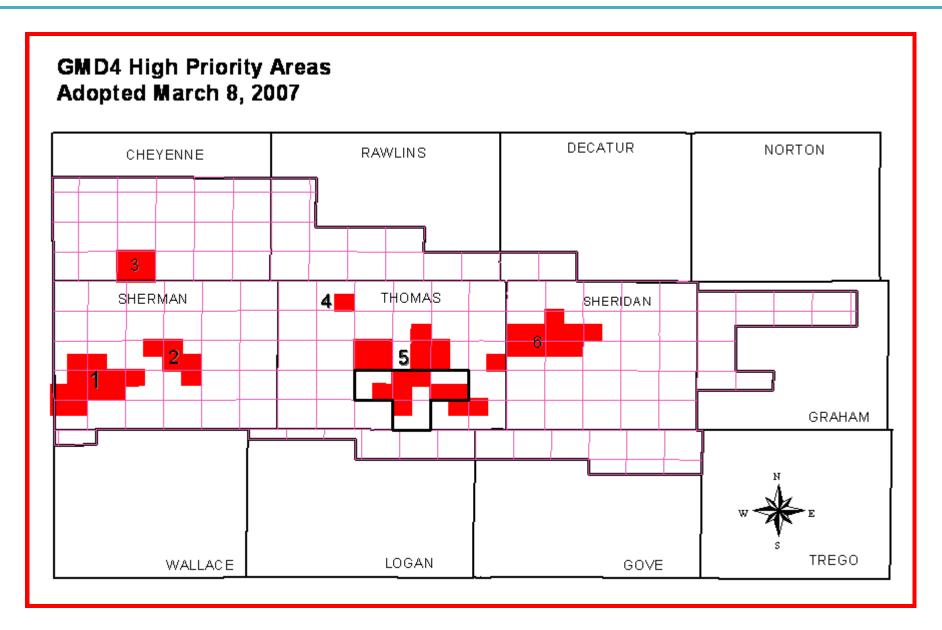
261,260 acre-feet

40,107 acre-feet

ATTACHMENT B

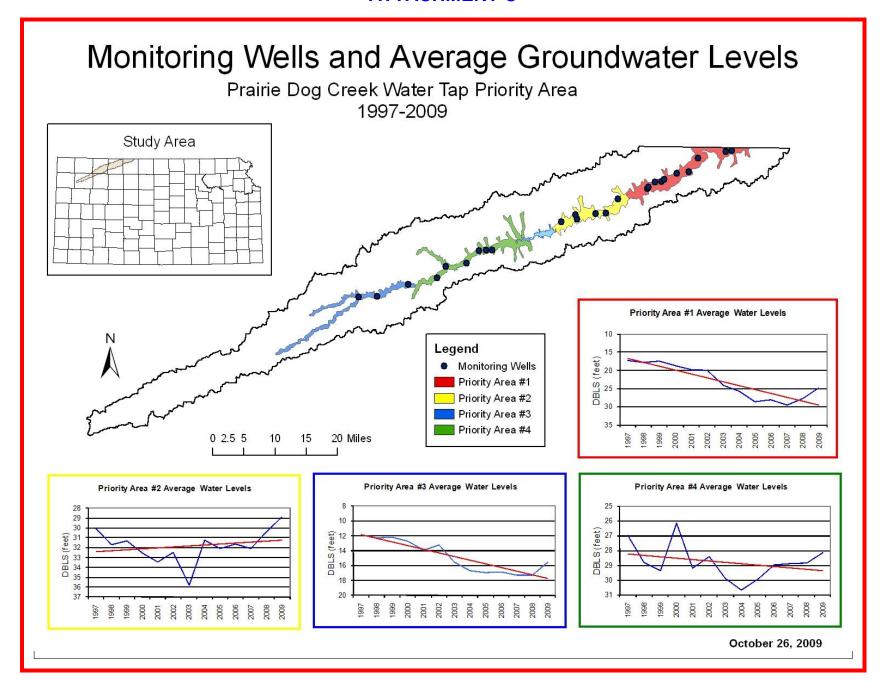


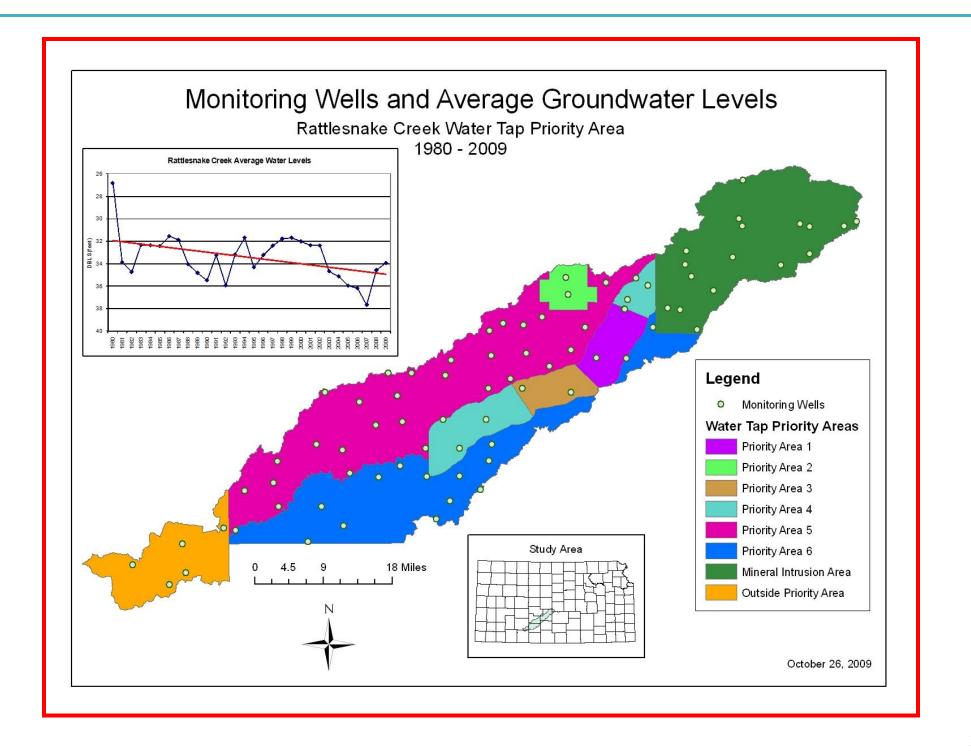




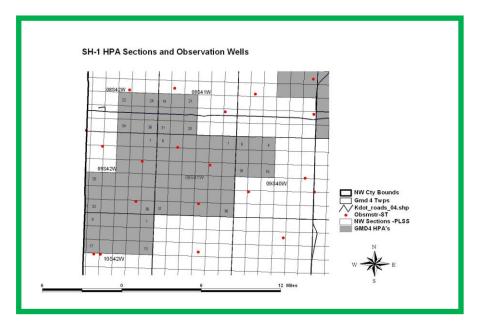
These "High Priority Area" aquifer sub-units were approved for enhanced groundwater management options by the Board of Directors, Northwest Kansas Groundwater Management District No. 4, on March 8, 2007. They were formally approved and designated as WTAP target areas by the Chief Engineer, Division of Water Resources, on September 22, 2008.

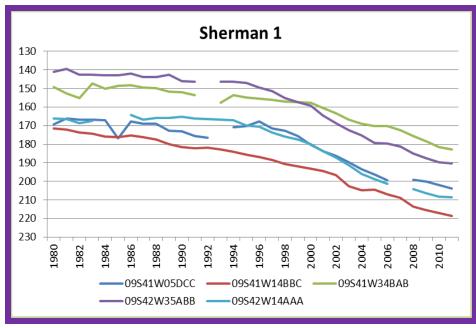
ATTACHMENT C

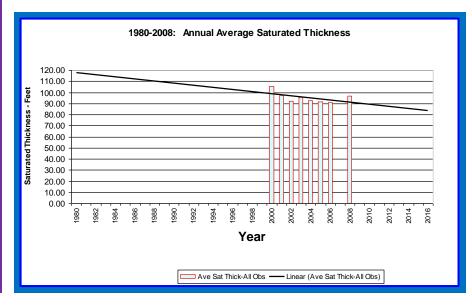




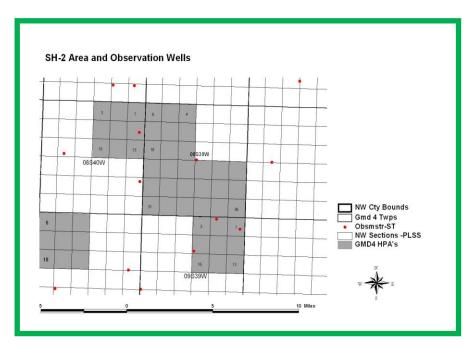
GMD #4 High Priority Area Sherman County - 1

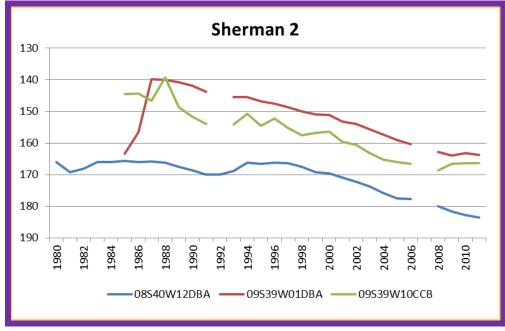


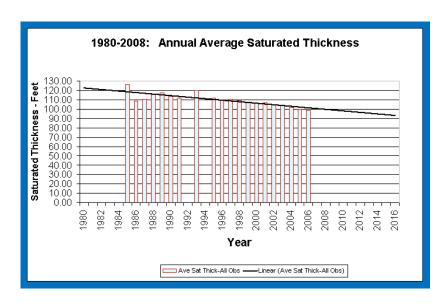




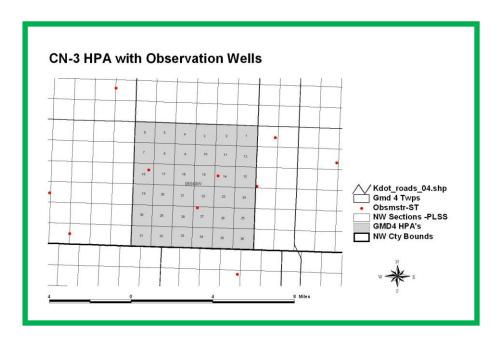
GMD #4 High Priority Area Sherman County - 2

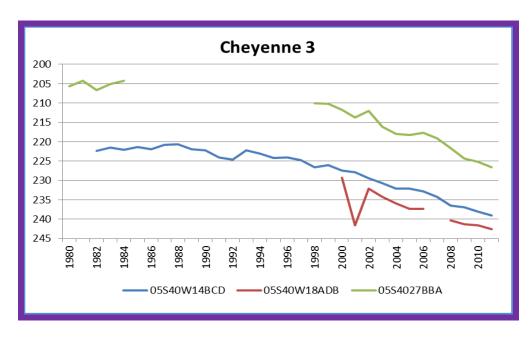


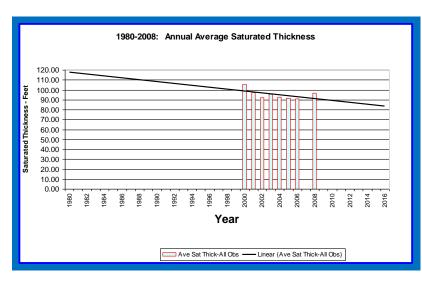




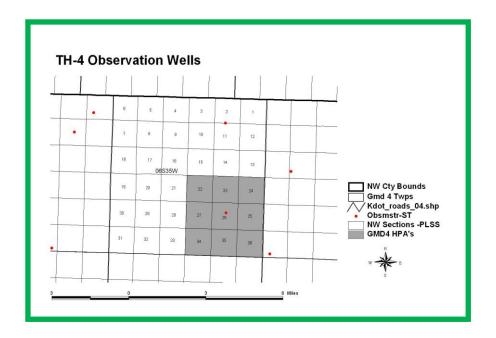
GMD #4 High Priority Area Cheyenne County – 3

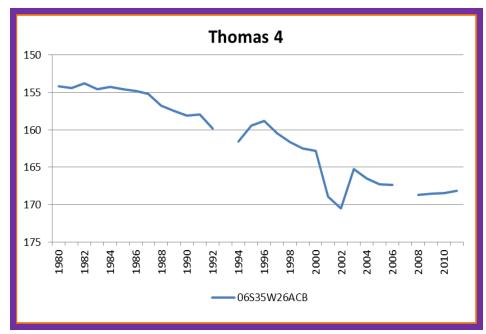


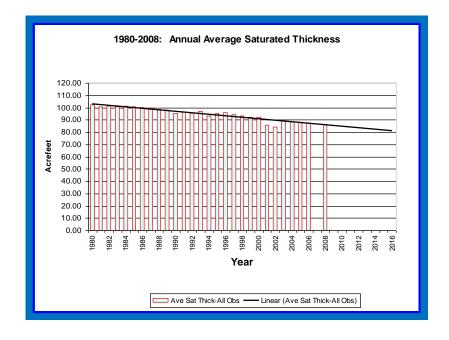




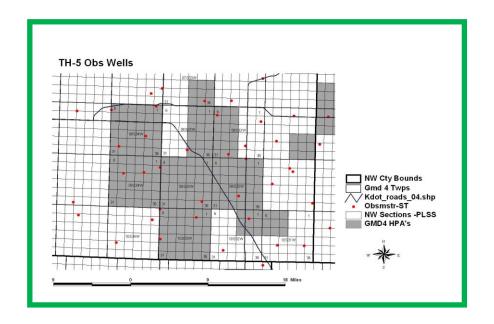
GMD #4 High Priority Area Thomas County - 4

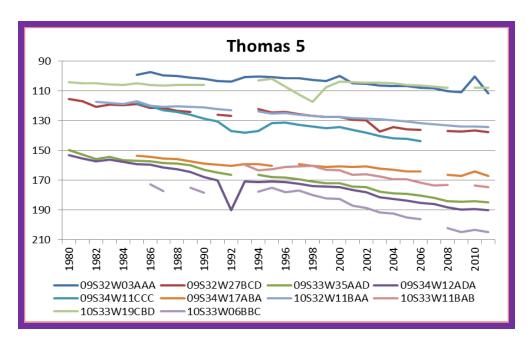


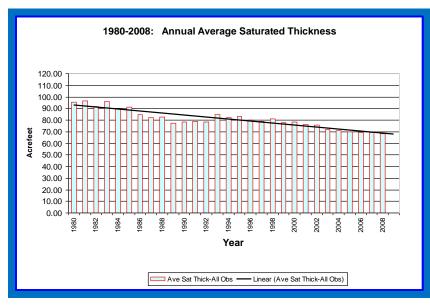




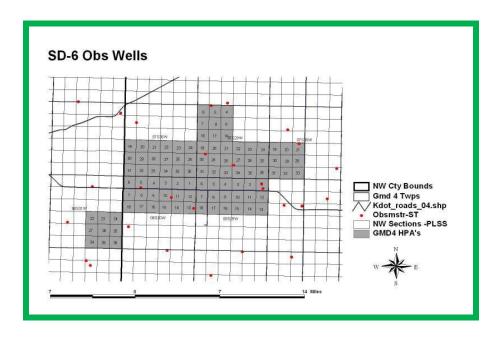
GMD #4 High Priority Area Thomas County - 5

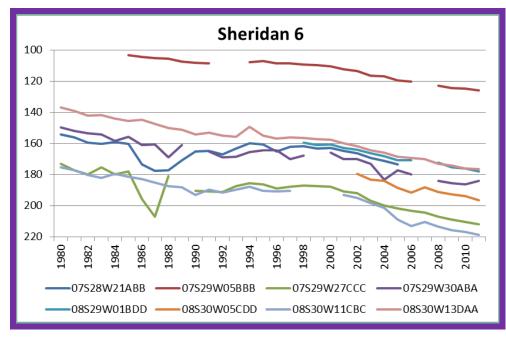


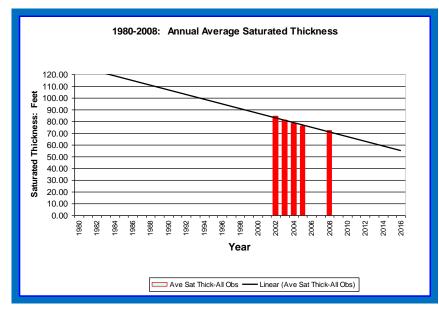




GMD #4 High Priority Area Sheridan County - 6







ATTACHMENT D

